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CIRCULAR

Kindly place on your staff notice board for the attention of your employees

16 October 2007

Attn: ALL EMPLOYERS AND EMPLOYEES

EXTENSION OF THE SICK PAY FUND BENEFITS TO ALL EMPLOYEES IN THE INDUSTRY

We refer to our circular dated 22 August 2007.

The Sick Pay Fund has hitherto only been applicable to the employees of firms which are members of the employer organisations party (SEIFSA, CAESAR, FEOSA and NEASA), and employees who are members of the following party trade unions:

- Chemical, Energy, Paper, Printing, Wood & Allied Workers Union (CEPPWAWU)
- Metal & Electrical Workers Union of S.A. (MEWUSA)
- MWU Solidarity
- United Association of South Africa (UASA)
- National Union of Metalworkers of S.A. (NUMSA)
- S.A. Equity Workers Association

As part of the 2005/07 Industry Settlement Agreement, the parties agreed to extend the Agreement (Government Gazette No 30023 dated 6 July 2007 per Government Notice R.533) to the whole industry, and to incorporate enhanced benefits.

A monthly return form is enclosed for those employers who are as yet not members of the Fund. Please complete the form as indicated in the instructions.

The Agreement provides for contributions of 0.09% of earnings, with employers making a matching contribution, and the following benefits apply:

1. **Sick Pay Benefits** - Payment at 50% of wages for absences through illness in excess of paid sick leave entitlement, up to a maximum period of 30 weeks.
2. **Occupational Sickness or Injury on Duty** – A maximum of three days at full payment is made in respect of occupational sickness or injury not recognised as compensable in terms of the Compensation for Occupational Injuries and Diseases Act 1993.
3. **Funeral Benefit** – At R5000 in respect of the death of a member.

Cape Region
PO Box 6096
Roggebaai 8012

Border Region
PO Box 13162
Vincent 5217

KwaZulu-Natal Region
PO Box 5900
Durban 4000

Midland Region
PO Box 12848
Centrahill 6006

Gauteng Region
PO Box 3998
Johannesburg 2000

Free State &
Northern Cape Region
PO Box 30095
Moreskof 9462

Centre for Dispute
Resolution
PO Box 9381
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Tel: 021 421 6140
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Tel: 043 743 7790
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Tel: 011 639 8000
Fax: 086 636 8689

Tel: 057 352 4142
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Tel: 011 834 4660
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4. **Pregnancy and Stillborn Confinement** – At full wages (26 weeks for pregnancy and 12 weeks for stillborn confinement).
5. **Adoption of Children under two years of age** – At full wages for 26 weeks.

The latter two benefits are in terms of the 2007/2010 Industry Settlement Agreement and will apply from 13 July 2007. The normal qualifying period of 13 weeks contributions for new entrants who were in the employ of an employer as at the 30th September 2007 would not apply.

6. **Compassionate Leave (new)** – An employee who has exhausted his/her entitlement to payment for Family Responsibility Leave in respect of the death of persons identified in Section 42(2)(iv) of the Collective Main Agreement and Section 7A(2)(c)(i & ii) of the Lift Engineering Agreement shall be entitled to take 3 working days paid leave per year. Such leave may be taken in respect of the whole or part of a day. The Fund may, before making payment, require an employee to furnish reasonable proof for the request of such leave.

Although the Agreement applies to scheduled employees, provision is made for administrative staff to become members, should they wish to.

PLEASE NOTE THE FOLLOWING:

Those employers and employees who are already members of the Fund:

- The existing procedures will remain unchanged.
- The contribution rates will be decreased from 0.18% to 0.09% of earnings from 1 October 2007.
- The compassionate leave will be a new benefit.
- Pregnancy / stillborn / adoptive benefits as detailed above will apply with immediate effect.

Those employers and employees who are not yet members of the Fund:

- The first monthly return with instructions for completion is enclosed. Please complete and return with payment by the 7th day of each month.
- For claims procedures, please contact the Sick Pay Fund Administration Office at (011) 870-2000.

A comprehensive information brochure on the Sick Pay Fund can be obtained from the Fund.

The rules and benefits of the Sick Pay Fund are available on the MIBFA website: www.mibfa.co.za.

Should you require any further information, please contact the Fund at (011) 870-2000.

Yours faithfully

J N Faasen (Mr)
Operations Manager